2019 FULL-YEAR EARNINGS

Turnover up +2.5%
Current operating profit up +71.5%
Brand's 40th anniversary in 2020

Orléans, 26 March 2020 at 5:45pm CET - Mr.Bricolage SA, which groups together local independent home improvement and gardening stores, is reporting its annual results for 2019, which reflect the complete withdrawal from the directly-owned stores retail business and the definitive realignment around network services, its longstanding core business. In line with expectations, the results for 2019 are marked by a significant reduction in operating losses thanks to the removal of the majority of the directly-owned stores from the scope and the increase in the volume of business for stores operated by members-entrepreneurs.

"The transformation and the realignment that we have been preparing for several years around our core network services business are now being achieved thanks to the dedication of our members and the commitment shown by all our head office teams. The results for 2019 show that many indicators are now green: increase in the volume of business for the network's stores, performances of the stores modernized with the new concept, development of the network…This year, more than last year, our brand has attracted new ambitious entrepreneurs looking to establish themselves with a proximity-based positioning. The brand is celebrating its 40th anniversary in 2020: 40 years of home improvement and sharing. We have worked on a major commercial plan to celebrate this anniversary year with a number of special in-store and online operations, as well as events to unite the Group together. Faced with the current health crisis, our priority is to ensure everyone's health and, like all businesses, we hope to minimize its impact on our development and the implementation of our roadmap for 2020", explains Christophe Mistou, CEO of Mr.Bricolage SA.

I - KEY DEVELOPMENTS IN 2019

Business volume growth and network development

In France, the volume of business is outperforming the market (+1.8% for the 2019 Banque de France home improvement superstore index[1]) with +2.8% growth on a like-for-like store basis (restated for the directly-owned stores sold, currently being sold or planned for closure). Overall, at end-2019, the volume of business came to €1,968.6m, up +1.4% on a like-for-like store basis.

The appeal of the Mr.Bricolage networks is being further strengthened and development is being ramped up in line with the work carried out to modernize the brand and the Group. At 31 December 2019, the Group had 778 points of sale in France and other countries, with a net balance of +14 stores versus 2018. At 31 January 2020, the 61 new members and affiliates brought on board took the network up to 837 stores.

Finalization of the plan to divest directly-owned stores and realignment around network services

In 2019, the Group continued moving forward with its realignment around its longstanding core network services business, rolling out the plan to divest its 65 directly-owned stores. As announced on 30 December, the final sales are underway. To date, a unanimous majority agreement concerning the support measures has been signed between the Group and employee representatives from the five stores[2] that have not found buyers and that are scheduled to close by summer 2020 (Allonne, Brive-Mazaud, Lexy, La-Roche-sur-Yon and Montereau-Fault-Yonne).

The Mr.Bricolage Group is now focused exclusively on supporting and developing the performance of the member and affiliate stores, through its *Network Services* business, which represented 86.5% of the Group's turnover in 2019, up 6.2%. Alongside this realignment, the major transformation plan launched 18 months ago for the head office and network is being rolled out to support head office staff, members and store teams with the development of their activities and skills.

(1) Source: Banque de France, 12 months to end-December 2019, on a like-for-like basis.
(2) The Orléans store was closed on 30 January 2020.

REBOND Plan: new store concept's deployment and first benefits

The 4 pillars concept, already deployed in 14 stores to date (10 in 2019), is proving its relevance, with rapid improvements in performance for the stores that have been modernized. At the heart of this new concept is the Collaboration space, a core feature for in-store service, a space for welcoming and exchanges for customers, hosted by the teams. It illustrates the Group's proximity-based positioning in all aspects and is currently being put in place in several other stores.

The brand's robust development and competitiveness have continued to be core priorities for the Group. In line with the REBOND Plan's ambitions, the renewal of the offering, the modernization of the information systems and the deployment of marketing and digital resources have continued to move forward, taking into consideration the changes made possible by the divestment of the network of directly-owned stores.

Agreement with banking partners

An agreement with the banking partners to reschedule the syndicated credit agreement set up in December 2017 was signed on 16 October 2019. All the bank borrowings for the company Mr.Bricolage SA, including €16m of bilateral lines grouped together within a consolidation loan, have seen their maturity deferred to December 2026 (instead of December 2023 for the majority of the borrowings). With the exception of the €40m revolving credit, repayable at maturity at end-December 2026, the repayment schedule for debt will be very gradual from December 2022. The financial ratios have been reduced and adjusted to enable the Group to finalize the plan to sell the directly-owned stores and continue rolling out the REBOND strategic plan, in line with the transformation and modernization objectives since November 2016.

Transfer to Euronext Growth Paris

Following the General Meeting's approval on 22 January 2020, the Board of Directors' decision on the same day and the Euronext Listing Board's approval on 24 February 2020, **Mr.Bricolage's ordinary shares were admitted to Euronext Growth Paris from the start of trading on 24 March 2020**. Mr.Bricolage SA is now listed on a market that is more aligned with its scale and market capitalization: reducing the operating costs relating to its listing, while enabling the Group to continue to benefit from the advantages offered by the financial markets.

Information on the COVID-19 health crisis

Following the announcement of the general lockdown on 16 March 2020, the **Mr.Bricolage Group's leadership team invited the entrepreneurs from its network in France and around the world to adapt their activities**. As of 25 March 2020, around 25% of the Mr.Bricolage brand points of sale in France are open to the public with adapted health measures and/or providing a collection service to enable customers to pick up their online orders. The members of the Group's other brands are applying various measures which the head office may not necessarily be aware of.

The five directly-owned stores identified for closure and the five stores in the process of being sold (Albi, Bidart, Laon, Lunel and Saint Paul les Dax) **have closed to the public**. The employees placed on "partial activity" are invited to respect the lockdown measures. Around 85% of the Group's 806 employees have been placed on partial activity for a renewable 15-day period. The key support functions are being maintained, working remotely, and a crisis management unit has been activated.

The Group has already started to **reduce its costs throughout this period and to activate the means of support offered to businesses by the French Ministry for the Economy**. Following this period of very reduced activity, and once the health conditions allow, the Group will support each entrepreneur and each employee to resume their activities.

II – 2019 EARNINGS

The audited results were approved by the Board of Directors on 26 March 2020. The statutory auditors' reports are currently being issued. The 2019 business and turnover press release was published on 26 February 2020.

Application of IFRS 16 "Leases"[3] *- With IFRS 16 coming into force on 1 January 2019, the Group has recognized assets and liabilities for all the leases included in this standard's scope. Its application has changed the presentation of the Group's results, canceling lease charges to replace them with repayments of lease liabilities and interest expenses. In addition, earnings are affected by the depreciation and amortization recorded on the rights of use recognized as assets on the balance sheet.*

Application of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations"[3] *- The Group has reclassified earnings for the directly-owned stores sold in 2019 on a separate line on the income statement. The earnings, assets and liabilities of six stores whose sale was considered highly likely on the year-end reporting date and six subsidiaries holding the related real estate assets, which have been sold or are in the process of being sold, have been reclassified on the corresponding lines.*

(3) The main impacts of these standards are detailed in the Annual Financial Report.

Condensed consolidated accounts (€m)	31 Dec 2019 IFRS 5 reported	31 Dec 2018 IFRS 5 restated	Change Like-for-like
Consolidated turnover	**247.1**	**241.1**	**+2.5%**
- Network Services	213.9	201.4	+6.2%
- Retail	33.2	39.7	-16.4%
EBITDA[4]	27.6	18.3	+50.7%
Current operating profit	**11.4**	**6.6**	**+71.5%**
- Network Services	16.5	11.7	+41.8%
- Retail	(5.1)	(5.0)	-2.4%
Other non-current operating income and expenses	(21.0)	(28.0)	-25.2%
Operating profit	**(9.6)**	**(21.4)**	**+55.2%**
Financial income (expense)	**(6.5)**	**(2.4)**	**-166.9%**
Contribution from associates	1.0	(2.0)	+153.3%
Corporate income tax	(1.0)	(19.1)	-
Profit after tax from continuing operations	**(16.1)**	**(44.9)**	**+64.2%**
Profit after tax from discontinued operations	(10.3)	(93.0)	-
Profit (loss) for the period	**(26.3)**	**(137.9)**	**-**
- Group share	(26.4)	(137.9)	-
- Minority interests	ns	ns	

Consolidated turnover

Following the announcement of the final phases of the plan to divest the directly-owned stores on 30 December 2019, the *Retail* business is presented in accordance with IFRS 5 and the 2018 data have been restated to be comparable. Under these conditions, the Group's turnover is up 2.5% from 2018 to €247.1m, driven by growth in the *Network Services* business.

In line with the divestment plan, the ***Retail* business** represents €33.2m, down 16.4% from 2018. With the application of IFRS 5, turnover includes the balance for the six stores that have not received offers from buyers at 31 December 2019.

With regard to online sales, the gradual closure of the Jardin de Catherine site in 2019 masks the increase in the volume of business (+16.9%) for the www.mrbricolage.fr e-commerce activity, which was completely reconfigured in 2018.

Effectively positioned to support the gradual integration of the previous directly-owned stores and the growth in the member and affiliate networks, the ***Network Services* business** recorded 6.2% growth in 2019 (€213.9m), driven by:

- The €11.5m (+8.6%) increase in sales of goods linked to the range changes, the development of the own-brand "Inventiv" and the opening up of the warehouses to the Briconautes and affiliate points of sale;
- The €1.0m (+1.5%) growth in services linked to the increase in the volume of business and purchases for the networks' points of sale.

Current operating profit / operating profit

With the acceleration of the divestment plan and the internal measures to reestablish Mr.Bricolage's financial position, and especially its strong budgetary discipline, the current operating profit for 2019 is up 71.5% to €11.4m, versus €6.6m in 2018. The six stores still included in the 2019 accounting scope generated an operating profit of €(5.1)m, while the Network Services business recorded an operating profit of €16.5m thanks to the REBOND Plan's effectiveness and the dedication shown by the network's entrepreneurs with the directly-owned store divestment plan. The profit recorded by the Network Services business takes into account the income generated by the directly-owned stores before their divestment outside of the network, but does not include all the assistance measures that will be rolled out for the transformation of certain stores that are still part of the member network.

(4) EBITDA = Current operating profit + Depreciation and amortization.

The application of IFRS 16, in force from January 1st, 2019, is reflected in a slight adjustment of the current operating profit, transferring part of the external lease charges (€6.4m) to depreciation (€6.3m). After taking into account non-current operations for €(21.0)m, including restructuring costs and depreciation relating to rights of use (€17.5m) on the one hand, and on the other hand, fees linked to the implementation of the divestment plan and the Group's refinancing (€3.5m), the operating profit came to €(9.6)m, compared with €(21.4)m in 2018.

Net profit

Financial income and expenses came to €(6.5)m in 2019, the €(4.1)m change is linked to the new syndicated credit agreement set up (€2.3m), the application of IFRS 16 (€0.6m) and the writedown of financial assets (€1.2m). Taking into account a tax expense of €(1.0)m and the €1.0m contribution from associates, the profit after tax from continuing operations totaled €(16.1)m, linked, for the final year, to the situation of the directly-owned stores and the finalization of the divestment plan. After factoring in the profit after tax from discontinued operations for €(10.3)m, the net profit for the year represents €(26.3)m, compared with €(137.9)m in 2018.

Net debt

At 31 December 2019, the Group's net financial debt totaled €78.6m, compared with €96.1m at end-2018. The Group has used its drawdown capacity under the credit agreement from 16 October 2019. At 31 December 2019, the Group's net debt excluding the impact of IFRS 16 came to €88.0m, versus €103.6m at end-2018. The Group's cash position shows a significant year-on-year increase to €34.2m, including its use of the €3.0m overdraft line, in accordance with the Group's expectations.

III - OUTLOOK FOR 2020

The performances recorded by the Mr.Bricolage Group until 14 March 2020 confirmed a good start to the year. Today, during this health crisis, the Group's priority is to protect the health of all its employees, customers and partners. The Group is activating the various support measures for businesses and will support each entrepreneur and each employee with the resumption of their activities.

Following this period of very reduced activity, Mr.Bricolage aims to continue moving forward with its modernization roadmap. Realigned around its core "Network Services" business, in 2020, 40 years after the brand was launched, the Group will move forward with four main goals, continuing to build on its REBOND roadmap:

- Implementing the proposed shutdowns and closures for the final directly-owned stores under the best possible conditions;
- Continuing to optimize network services and accelerating the development of value-creating actions: renewing the product selection and pricing management tools, standardizing the information systems, maintaining marketing investments in the Inventiv brand and in-store footfall, and deploying the new customer services platform;
- Continuing to develop the network of branded and affiliate stores to achieve the ambition for 1,000 points of sale by 2028;
- Accelerating the rollout and implementation of the "4 pillars" concept across the network. To date, 14 Mr.Bricolage stores offer the four retail pillars.

Financial diary: **Mr.Bricolage general shareholders' meeting: 19 May 2020.** In the current health context, the conditions for taking part in the general meeting could evolve, if required. Shareholders are invited to regularly consult the "General Meeting" section on the company's site (www.mr-bricolage.com) in order to keep informed.

About Mr.Bricolage

The Mr.Bricolage Group, which develops the well-known brands Mr.Bricolage and Les Briconautes, is the French specialist for local independent DIY retail. As of January 31st, 2020, the Group counts 837 stores operating under the brands or through affiliates, including 70 international stores spread in nine countries. The Mr.Bricolage SA shares are listed on Euronext Growth Paris (ISIN: FR0004034320 - ALMRB).

Contacts

Corporate press

- Anne-Claire Moyer, Mr.Bricolage – anne-claire.moyer@mrbricolage.fr
- Louise Chaulin - louise.chaulin@gmail.com – +33 7 83 35 96 93

Financial press, investors : Marie Calleux, Calyptus – mrbricolage@calyptus.net – +33 1 53 65 68 66